

Network for a Healthy California (Network)
Local Incentive Awardee (LIA) Program
Budget Cover Sheet and Budget Justification Instructions
FFY 2009 (October 2008-September 2009)

General Information

The following guidelines should be followed to complete the Budget Cover Sheet (Form #3) and Budget Justification (Form #4) for your *Network* LIA Program contract for FFY 2009 (October 2008-September 2009). To assist your organization in determining qualifying expenses, refer to *Network Allowable and Unallowable Costs* at <http://www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.htm> and the **United States Department of Agriculture's (USDA) Food Stamp Nutrition Education Plan Guidance**, Federal Fiscal Year 2008, which can be accessed at: http://www.nal.usda.gov/foodstamp/programplan/FSNE_Plan_Guidance_06_MainDoc.pdf. Please note that once released, the FFY 2009 Guidance will be updated on the web and all projects will be required to comply with any changes. You will be notified by email if any changes occur.

Instructions for completing the Budget Cover Sheet (FAP Form # 3)

The Budget Justification and Budget Cover Sheet are linked; therefore, the line item totals from your Budget Justification will be imported to your Budget Cover Sheet. Contractors need to enter their nine-line item budget from FFY 2008 in order to calculate the % difference FFY 2008 and FFY 2009. Please do the comparison for subsequent budget years. (Compare FFY 2008 and FFY 2009, and then compare FFY 2009 and FFY 2010). If the total % difference increases or decreases more than 10%, Contractors should provide justification on the Budget Cover Sheet. (Please note – *Network* Growth Policy restricts the growth of renewing Contractors to no more than 105% of the FFY 2008 budget). Questions on maximum allowable budget should be directed to your Contract Manager.

Instructions for completing the Budget Justification (FAP Form #4)

A Budget Justification must be submitted for each budget year that your organization participates in the LIA program.

The budget justification template is available in Excel and can be downloaded from the CPNS website at <http://www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.htm>.

1. List your organization's legal name at the top of each page.
2. List your contract number (assigned to your organization by CPNS) below your organization's name at the top of each page.
3. Round off dollars and percentages to the nearest whole number.
4. Use the Budget Justification FAP Form #4 that contains both State and Federal Share budgets. If the space provided for the required information is not sufficient, you can modify the rows to add additional information as needed. (e.g.: additional personnel titles and information). When adding rows or columns to the Excel form please make sure and format the cells, rows and/or columns added.

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5. Place a revision date in the footer of each page in order to easily identify the most current version.
6. Use a calculator to check total calculations. Do not rely on formulas.
7. Enter in State Share budget items followed by Federal Share budget items for each of the Budget Justification lines.
8. Space allocation, equipment, and non-program related travel must be prorated by FTE when staff person is not dedicating 100% FTE to the *Network* contract. If costs are required to be prorated, please provide the basis. Example: Project Coordinator is 75% on federal share budget; rent for the space occupied by the Project Coordinator must be prorated based on the FTE. CPNS would only reimburse for 75% of the rental costs. In considering total FTE dedicated to *Network* contract, Contractors should add both State and Federal Share FTE. If staff is on reduced time base, but dedicated 100% to the *Network* with no other funding source for salary and benefits, prorating is not required.
9. **Contractors must adhere to USDA and CPNS deadlines in order to meet required timely submission of *Network* plan to USDA. Failure to comply with the timeline will cause lengthy delays in the contracting process or loss of opportunity to contract with the *Network* altogether.**

Budget Line Item Definitions/Information

Contractors should verify with their appropriate fiscal staff that the following *Network* line item definitions are compatible with their internal line item definitions. Accommodations may be made with the *Network* to place expenses in alternative line items if more appropriate. If needed, such accommodations should be requested by the contractor during contract negotiations and prior to finalizing the budget justification.

A. Personnel Salaries: Describe and justify staffing information for each position budgeted. Contract employees or consultants should not be included in this line item. Include all of the following information:

- **Name** - Enter the employee name(s). If there are more than 8 staff per classification, indicate "multiple staff" and the total number of staff in parenthesis. A list of names is not needed, but should be available upon request.
- **Position Title** - Enter the employee's "generic title". This should be one of the titles found on the list of USDA-approved generic position descriptions, which can be located on the CPNS web site at:
<http://www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.htm>.
- If the generic title differs from the employee's official title, list the official title in parenthesis next to the generic title.
- Note: using USDA-approved generic titles and generic position descriptions is not mandatory, but is recommended.
- If a position is not filled, indicate "vacant".

1. Annual Salary -

Enter the annual salary used for each employee. When converting a monthly, semi-monthly, weekly or hourly salary to an annual salary please

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use the standard 52 week year at 2080 hours/year to make the calculation. Calculations should be based on actual salaries. If use of actual salaries is not feasible due to large numbers of staff, alternative methods of capturing rates must be pre-approved by your Contract Manager. (e.g. average salaries for large numbers of teachers/staff).

The USDA recommends using a \$45 per hour salary rate (\$94,400 yearly salary cap) for schoolteachers and a \$54 hourly rate (\$112,000 yearly salary cap) for school administrators as a maximum State Share salary rate. This amount represents a median/mean salary range based on a review of *Network*-funded contractors. This maximum rate does not include fringe benefits.

Using this methodology, contractors can elect to utilize lower salary rates for teachers/school administrators up to this maximum salary rate. For any contractor exceeding the maximum salary rate, the following steps would be required:

1. Submission of a justification to be included with the submission of the annual plan and
2. Review and approval/disapproval by USDA WRO on a case-by-case basis.

Contractors electing to utilize the maximum rate methodology will still be required to utilize *Network* approved time tracking methodologies and report "actual" salary rates.

2. Total Full Time Equivalent (FTE) Allocated to Network Contract

Enter the FTE each employee will spend on allowable *Network* activities (e.g., 20 hours of a 40-hour week equals .50 FTE). Please note: Enter this as a decimal not a percentage. (The FTE should be carried to four decimal places). Tip: you must use a standard 52 week year at 2080 hours to make this calculation even if you are a school district. For example, if the position is budgeted for 48 hours, the FTE would be calculated as $48/2080=.0230$.

If there is more than one staff member listed in one row, the FTE listed should be a cumulative total of the FTEs of all of the positions listed in that row. For example, if 5 nurses are listed in one row and each nurse is budgeted at .10 FTE, the FTE listed for that row should be .50 FTE (5 nurses x .10 FTE).

3. Percentage FTE Time for Administrative Duties Allocated to Network Contract

Estimate the percentage of time for each employee that is spent on administrative duties. (The percent of time entered for Administrative Duties + the percent of time entered for Direct Delivery should add up to the percentage of FTE for each position listed.) Please enter as a percentage (i.e., 50% rather than a decimal - .50FTE).

Administrative Duties are expenses related to personnel positions that perform administrative duties (e.g., processing purchase orders, preparing invoices and State Share Documentation Reports,

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collecting weekly time logs, and performing general clerical duties, such as answering phones, ordering supplies and preparing correspondence, etc.).

4. Percentage FTE Time for Direct Delivery Duties Allocated to Network Contract

Estimate the percentage of time for each employee that is spent on direct delivery or programmatic duties. (The percent of time entered for Administrative Duties + the percent of time entered for Direct Delivery Duties should add up to the percentage of FTE for each position listed.) Please enter as a percentage (i.e. 50% rather than a decimal - .50FTE).

Direct Delivery Duties are expenses related to personnel positions directly engaged in service/program delivery (e.g., nutrition education in the classroom, food stamp promotion, food demonstrations, community outreach activities, physical activity promotion, nutritional aspects of gardening, etc).

CPNS is implementing this requirement using the following methodology: if the majority of the activities for the staff person are administrative, i.e. an accounting assistant, then place all that person's FTE allocated to the *Network* contract under "Administrative Duties", if the person is an RD, working as a Project Coordinator, place that person's FTE allocated to the *Network* contract under "Direct Delivery Duties". This methodology must be applied consistently in order to meet USDA's requirement.

Example: if a person is working as a Project Coordinator and dedicating .5 FTE, this should be reflected as 50% Direct Delivery Duties in column # 5. If the person is working as an Administrative Assistant and dedicating .75 FTE, this should be reflected as 75% Administrative Duties in column #4.

Note: The percentages listed under columns 4 (% Administrative Duties) and column 5 (% Direct Delivery Duties) should equal the FTE listed for each employee(s). For example, if a nurse is budgeted at .25 FTE, then we should see 25% listed in the Direct Delivery Duties column for that row. Similarly, if 10 nutrition educators are budgeted for a total of 2.5 FTE, we should see 250% in the Direct Delivery Duties column for that row.

5. State Share Total Dollars

Calculate for each employee the total amount of dollars allocated as State Share. Annual salary multiplied by Total FTE = Total Dollars. Round off dollars to the nearest whole number.

6. Federal Share Total Dollars

Calculate for each employee the total amount of dollars allocated as Federal Share. Annual Salary (column 2) multiplied by Total FTE (column 3) = Total Dollars (column 8).

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7. Subtotal of Dollars

The sum of column 8 for both State Share and Federal Share salary dollars is the Subtotal of Dollars.

Position Description

Include a brief description of each employee's duties and responsibilities as they relate to allowable nutrition education and physical activity promotion to FSNE eligibles. There is a list of generic position descriptions approved by USDA on the website at

<http://www.dhs.ca.gov/ps/cdic/cpns/network/FAP/Renewing.htm>.

These generic position descriptions are listed on the Excel Budget Justification form. Next to each position description title, include the corresponding number(s) in parenthesis from each staff listed under the Personnel Salaries line item that the position description applies to. **Please remove any position descriptions that are not applicable to your organization.** If none of the generic position descriptions apply, add a short position description. **The order of personnel listed in the Personnel Salaries line item should correspond directly with the list of position descriptions.** CPNS recommends the use of these generic position descriptions as well as inserting the actual organization staff title in parenthesis next to the generic position description.

B. Fringe Benefits: Fringe Benefits may include expenses such as statutory benefits, a comprehensive benefits package, or other benefits (e.g., medical, dental, vision coverage, long-term disability, accidental death insurance, and a tax-sheltered annuity program). Benefits may be calculated using various rates depending on individual factors. List the type of fringe benefits included in the Fringe Benefit rate. Indicate the fringe benefit percentage used for calculation on both the State Share and Federal Share budget columns and indicate the total for fringe benefits in the Total Dollars column.

C. Operating Expenses: Identify the major areas of operating expenses and provide a detailed cost breakout of these expenses. The detailed cost breakout should include the basis for the calculation. Example: Postage \$410 -1000 stamps at 41 cents each for nutrition newsletter to FSNE eligibles). Operating expenses should be prorated based on the FTE dedicated to FSNE. Please indicate the percentage by which you are prorating the expense. Operating Expenses include expenses for routine items such as office supplies, communications (telephone, facsimile, e-mail), postage, overnight mail, routine printing and duplication, and space-rent/lease (include formula for calculating space costs). Indicate the total expenses in the State Share, Federal Share and Total Dollars columns. (Note: Non-routine and one-time types of expenses should be budgeted under the "Other Costs" line item.)

D. Equipment Expenses: Describe and itemize any equipment expenses and indicate the staff assigned to the equipment. Equipment is defined as non-expendable property used to conduct eligible nutrition education activities, and includes items such as computers, televisions, VCRs/DVDs, cameras, typewriters, furniture, etc. If your equipment will not be used exclusively for allowable *Network* activities or by a 100% FTE, then the expense must be prorated by FTE to include only the portion related to nutrition education. If prorating, please indicate the percentage by which you are prorating the expense and the staff the equipment is assigned to. The % FTE for the staff must match the prorated % of the cost. Indicate the equipment expenses in the State Share, Federal Share and Total Dollars columns.

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E. Travel and Per Diem Expenses: For each trip, include personnel title and FTE of person(s) traveling, dates of travel, purpose of trip as it pertains to FSNE scope of work, location and approximate cost. The approximate cost should include an expense breakdown for registration, hotel, mileage, meals, parking, etc... Indicate the travel and per diem expenses in the State Share, Federal Share and Total Dollars column. The reimbursable State Department of Personnel Administration (DPA) mileage rate is 50.5 cents per mile. Travel and Per Diem expenses included on the Federal Share Budget may be no greater than the current DPA rates as outlined at <http://www.dpa.ca.gov/jobinfo/statetravel.shtm>.

Staff from your organization should budget for the following applicable training opportunities offered by the *Network*: (These trainings do not need to be prorated and should be paid for with Federal Share dollars.)

1. *Network* Statewide Conference in Northern California;
2. Regional Collaborative Trainings or meetings; and
3. CCLHDN Annual Meeting (county health departments are required to attend).
4. CX3 Training (Renewing county health departments are required to attend 2 meetings).
5. (1) Regional SHAPE meeting (school district and county office of education contractors are required to attend. Contractors working with schools are recommended to attend).
6. Impact Evaluation Training (for those contractors with federal share budgets over \$350,000).
7. (3) *Network* Sponsored Skill-Based Training – including trainings such as facilitation, sustainability, program delivery, and Harvest of the Month. Each contractor is required to attend one *Network* Sponsored Skill-Based Training each year and should budget for the costs for each contract year.
8. *Network* Fiscal Training
9. *Network* Media Training
10. Youth Empowerment Training
11. Joint Steering Committee Meetings

Prorate all non-*Network* sponsored travel and per diem by the percentage of FTE for all personnel traveling and again by the percentage of allowable nutrition education and physical activity promotion included in the trip agenda. All non-*Network* sponsored conference/trainings must be prorated, require state approval and are subject to further justification by contractor staff including objective/purpose as it pertains to FSNE scope of work. Please see supplemental Form #4C – Non-*Network* Sponsored Travel Request. For non-*Network* Sponsored conferences, CPNS staff will determine the amount to prorate based on content once the agenda has been published and will forward this information to *Network* Contractors.

F. Subcontracts: The Subcontractor line is to include both subcontractor and consultant costs. The following information must be provided for both state and federal share costs:

- Subcontractor name (if known); list as “TBD” if not known;
- Brief description of services to be provided;

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- Basis for the Cost - approximate number of consulting hours and/or days to perform the deliverable that will be contracted for and the hourly/daily rate; and
- Total costs.
- Attach a separate, detailed subcontractor budget justification (subcontractor information only) breaking out the nine-line items. (If different from combined Budget Justification template, Form #4 or Form #10 please request approval of the format from CM).
- Agencies contributing State Share must use Form #4.

If consultant services or stipends are budgeted, provide the following details:

- Consultant name; list as "TBD" if not known;
- Brief description of services to be provided;
- Basis for the Cost - approximate number of consulting hours and/or days to perform the deliverable that will be contracted for and the hourly/daily rate; and
- Total costs.

Subcontractor/Consultant budgets and budget justifications will be reviewed and approved during contract negotiations with the CM and PM. If the subcontractor/consultant has not been determined, submit the required subcontract information to CPNS as soon as the agreement is negotiated with contractor but prior to execution, so that *Network* staff can review and approve the subcontract for compliance with USDA and CDPH regulations. (Refer to Guidelines Manual, Fiscal Section, 1100 Subcontracts and Consultant Agreements for the required documents). As required by USDA, prior written authorization is required for all subcontracts. No subcontractor expenses will be paid by CPNS to the agency unless a fully executed copy of the subcontract has been submitted to CPNS for review and approval. Indicate the subcontract expenses in the State Share, Federal Share and Total Dollars columns. Attach the subcontractors' budget justification and brief project description as part of the application. Use either the Budget Justification Form #4 or Form #10, entitled Subcontractor Budgets to provide the required information. (If Subcontractor Budget is over \$50,000 they must use Form #4).

G. Other Costs: This line item includes non-routine, occasional, or one-time expenses such as computer time, publications, training, nutrition education materials, and food (for demonstration/taste testing purposes only). Identify the major areas of expense and provide a brief cost breakout of these expenses. Indicate the other costs expenses in the State Share, Federal Share and Total Dollars columns.

H. Indirect Costs: Indirect Costs are defined as expenses not directly or exclusively associated with the project's deliverables such as overhead or allocated expenses. Examples of overhead or allocated expenses include: administrative personnel, bookkeeping, payroll services, janitorial services, insurance, and audit expenses. Describe briefly the expenses associated with this line item. Calculations should be based on rates as indicated below for each budget. Please submit documentation from your fiscal department that supports how the indirect rate was determined and calculated.

- The indirect rate used to calculate this line item should be your organization's standard indirect rate. If your organization has a federally negotiated indirect

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cost rate, this must be used. USDA requires that State and Federal indirect rate be the same, unless the organization provides justification.

- If your indirect costs are based on a modified amount, please identify what expenses are not included in your calculations to arrive at your total Indirect Costs amount; and
- For colleges and universities: Since most services take place off-campus, the off-campus rate is considered most appropriate to use. Only if the majority of the nutrition education activities are conducted on campus can the on-campus rate be allowed.

I. Total Expenses: Enter the sum of line items A through H to reflect total expenses in the State Share, Federal Share and **Total Dollars** columns.